BARNSTABLE COUNTY HOME CONSORTIUM ADVISORY COUNCIL
THURSDAY, MARCH 15, 2012
CAPE COD COMMISSION OFFICE
MEETING MINUTES

Members Present: Lorri Finton, Vicki Goldsmith, Michelle Jarusiewicz, Bernie Kaplan, Gerry Loftus, Sandee Perry

Members Not Present: Lee Berger, Jillian Douglass, Marlene McCollem, Judith Riordan, Jon Holt, Art Hultin

Public Present: Paula Schnepp

Staff Present: Paul Ruchinskas, Michelle Springer

MINUTES-

Gerry made a motion to approve the minutes of January 19, 2012. Michelle seconded the motion, 6 members in favor, 0 opposed, 0 abstained.

Minutes of January 19, 2012 correction on page 4: continuous should have been contiguous.

HOME Program-

Regulatory Changes-

Paul sent a letter to HUD with his comments on the proposed HOME regulatory changes. HUD will hopefully be ready to adopt the changes sometime this summer. One of the proposed changes was in regards to the Community Housing Development Organization and that they would need to have a person with housing development experience on staff. Paul feels that they will get a lot of comments on this topic and will likely adopt the changes. This change in regulation has to do in part with non-profits funding projects that have never happened. This was one of the topics highlighted in the Washington Post stories about the HOME program last year. One of the non-profits on the Cape, Harwich Ecumenical Council for the Homeless (HECH), currently does not have a staff person with housing development experience. HECH can still apply for funding; it just wouldn't come out of the 15% set aside for CHDO's. It will make it more difficult for us to meet the 15% set aside for CHDO's with just HAC and the Community Development Partnership. Our policy on the CHDO's funding says that the non-profit has to be regional or sub-regional in order to be eligible for the CHDO funds.

Vicki asked what is the requirement for participation by the constituent community?

Paul responded that 1/3 of the board needs to be low income or representative of low income organizations to become a designated non-profit for HOME CHDO funds.

Funding Request-

All four of the projects that we funded last June re-applied to DHCD. Community Housing Resource applied for Truro, Simpkins School in Yarmouth, Dakota Partners in Barnstable for Village Green, and HAC for Community Green in Sandwich. In addition, Barnstable Housing Authority submitted an application to us, and DHCD, for the Stage Coach Road project in Centerville. The Project Review Committee will meet before the next HOME meeting to review the Stage Coach Road project. All together there are five Cape projects in this DHCD funding round.

Paula asked what part of Community Green HAC is involved with.

Paul replied that they are coming in for the 10 single person units for the homeless population.

Paula asked if this is part of a larger project and the funding they have requested is just for a piece.

Paul said yes they would be using HOME and DHCD funds for just the 10 units and then they will go back to do the rest of the rental component.

In regards to the Kings Landing project in Brewster POAH has found out through the Mass DEP that the septic system that is currently there is out of compliance. They had thought this whole time that is was in compliance and will now have to do a centralized treatment system. There have been a number of discussions between POAH, the current owner, and Mass DEP on this topic. Mass DEP has agreed that that will not fine the current owner but will enter into an agreement with POAH to put in a new waste water treatment facility within a certain amount of time. The seller has agreed to lower the price of the property. POAH has decided to go ahead and purchase the property using their own money along with the other 5 projects that they are purchasing by the end of April. They will take over ownership, assume the mortgage, and keep operating. Early next year they will apply to DHCD for tax credits, come back to us, and the town for CPA funds in order to do the treatment plan and other work they had planned on doing. At that point they will extend the affordability for another 40 years.

There is a three unit project in Falmouth that is having trouble getting the amount of CPC funds that they need. Paul isn't sure if that project will happen.

DHCD plans to accept applications for new projects in the fall. Bob Murray of Falmouth Housing Corp. will likely be applying for DHCD funding for the Woods Hole project and then will be coming to us.

Paula asked about the Yarmouth Cavalier Hotel Project.

Paul explained that he had met with Brian Bragington-Smith before he purchased the property. Paul explained to Brian that he would need to apply to DHCD for funding in order to get any affordability out of the project.

2010-2014- Consolidated Plan Amendments-

The Consolidated Plan amendments were made necessary by the 43% reduction in HOME funding. The region's housing needs have not changed; what has changed is our ability to meet the goals set in the 2010-2014 Consolidated Plan with the reduced funding. The amendments basically involve a reduction in our annual goals: rental housing production- 30 units rather than 45; homeownership production- 3 units rather than 10; down payment program- 5 loans rather than 25.

Paul asked the Consortium for any comments and/or edits.

Sandee and Vicki both told Paul what a great job he had done on the Consolidated Plan.

Vicki made a motion to approve the 2010-2014 Consolidated Plan Amendments. Gerry seconded the motion, 6 members in favor, 0 opposed, 0 abstained.

DHCD Tax Credit-

DHCD has to do a tax credit allocation plan every year. In 2007-2008 they received 24-44 applications for tax credits and in April 2011 they received 64 applications. Back in 2008-2009 the issue was equity investors had left the market place and Fannie and Freddie were 40% of the market. They needed the stimulus funding that came in-lieu of the reduced tax credit equities to get, 32 projects completed that stalled in 2008-2009, which came to nearly 2000 units statewide. In the beginning of 2010 DHCD was expecting it to take years for the tax credit market to come back. They were getting between 90-95 cents of equity for every dollar of tax credit back in 2006-2007. Then in 2008-2009 it went down to 65-68 cents for every dollar. People lost a third of the amount of equity that was going to go into the deal. They thought it would take a long time to rebound but it turned out the market turned around really quickly. In the 2010 round DHCD received 44 applications for the 9% tax credit and in the second round they received 53. The total funding request DHCD received for credits was $77 million with $14 million of credits to allocate. That is what drove DHCD in this last round to keep it to projects that had applied before. DHCD had said they were all good projects that had applied. The tax credit market has come back a lot faster than DHCD had thought. They are in a tough spot for the next couple years.

FFY 2012 Annual Plan-

A lot of the information in the Annual Plan comes from the Consolidated Plan. Paul reviewed the plan and highlighted the changes from prior years. HUD wants us to describe our funding criteria. The plan describes our two tier application process: DHCD funding round and rolling applications for projects not in need of the DHCD funds. The Consortium will not fund projects that include an occupational preference over the other income eligible applicants. The project funding amounts stayed the same. The

affordability gap has disappeared. For the first time since 1998 the median family income can afford the median priced house on Cape Cod. This is driven by the record low interest rates. The deed rider issue has put us out of the homeownership business. Vicki commented that Mashpee has decided to use their CPC funds for a rental assistance program that will only serve Mashpee residents.

If DHCD ever changes there local preference then the Consortium will consider doing the same.

The proposed 2012 HOME allocations are as follows:

Administration-10%-$37,872
CHDO Housing Production-15%-$56,808
Housing Production-$244,040
Down Payment/Closing Cost Program-$40,000
Total-$378,720

It will primarily be rental housing unless something happens with the deed restriction. Within the housing production allocation, the Consortium will reserve $50,000 to be expended if needed on the Homeownership Preservation Program in case any of the Mashpee Habitat units go up for sale and an eligible buyer isn't able to be found then Habitat will buy it and market it. We have reduced the Down Payment and Closing Cost amount to administer the program. We have had a 75% reduction in households using the program. We will pay $3000 to administer it and increase the project amount per DPCC from $1000 to $1500 per loan.

Paul asked for any comments and/or changes on the allocation of funds.

With respect to the geographic distribution, Paul noted that the DPCC program has dwindled so much that it has made it more difficult to spread our funds over the Cape. So far this year we have funds in 9 out of the 15 towns. We used to get to 12 or 13 between the DPCC Program and Housing Production projects, but not this year. Sections 3, 4, 5, and 7 are the same as in the Consolidated Plan. In section 8 HUD wants more of an explanation of our resale/recapture provisions and our affordability period. On the Rental Housing Production Paul kept the two tier change of a HOME affordability period and a County affordability period to give us more flexibility on how much monitoring we will have to do after 20 years and reduce our repayment risk. HOME requires a one year lease period and this year during Michelle's monitoring she has found that there have been some projects that at renewal have gone to a month to month lease rather than a year lease, which is what we are to understand that HOME requires.

Paula asked if we have a pool of funds that has come back through the Homebuyer Assistance Program?

Paul responded that yes we have had $1.1 million paid back in funds and HUD requires that we spend any funds paid back on the next eligible expense. In past years we have

been able to use the a portion of the funds towards the DPCC program and Housing Production projects in part have been funded through these returned funds.

Paula asked if we had more than our allocated $378,720 to use for this year.

Paul responded yes we have the allocation of $378,720 and an additional estimated amount of $40,000 in repayment funds.

Bernie made a motion to approve the FFY 2012 Annual Plan. Sandee seconded the motion, 6 members in favor, 0 opposed, 0 abstained.

FFY 2013 Budget-

The President's budget had $1 billion dollars for the HOME program for the proposed level of funding. The House Committee on Financial Services initial review was to support the level of funding. Paul does not think the budget will get settled until after the election.

HOME Consortium Expansion-

Paul reported to the Consortium about going beyond the County to add more towns. He has had a couple meetings with his supervisor and the assistant director of the Cape Cod Commission. They were surprised to learn that the County has a repayment risk as a result of the HOME program. Paul explained that the program has made 800 loans, and out of those, 8 have been foreclosed on, and 2 we will have to pay back. The major concern is spending Commission staff time outside of the County. The response was let's wait and see how the budget process goes this year, and if need be we will re-visit the idea of adding.

Regional Plan to Address Homelessness-Paula Schnepp Coordinator

Paula explained that the initial plan was a 10 year plan that came out in 2005. The Federal Government has come out with their new strategic plan in 2010 and the decision was made to update the existing Regional Plan to Address Homelessness which is a three year plan. Paula highlighted the four target populations which include the chronically homeless, veterans, families with children, and young adults 18-24. Because of the demographics of the Cape and Islands they added a fifth target population of seniors 60+. There is narrative information in the beginning of the plan and then on page 25 starts the action plan. There are a number of goals that span the target populations. One goal is to help improve people's knowledge and access to housing. There are a lot of housing opportunities, but it is a maze. They are trying to create a directory that would be educational in trying to find housing. This is one of the goals they are trying to accomplish in their first year. The second area is to expand the supply of affordable housing specifically for the population that they are targeting who are homeless or at risk of being homeless. One of the steps is to try and maximize the Federal dollars that come to the Cape & Islands every year through the McKinney-Vento funds, which have historically been about $1.4 million. Another goal is to support policies and efforts to

educate towns on the Cape & Islands about need for and successful uses of affordable housing zoning by-laws. Over the years there have been many efforts to try and do that on a town by town basis. They would like to create some sustainable efforts to try and increase the affordable units. The Policy Board is listed as the responsible party, but Paula thinks it would be great to have some representation from the HOME Consortium as the Consortium does represent the entire region. Paula has asked Paul to sit on the Policy Board and be the liaison to the Consortium.

Another focus is improving health through engagement and stabilization. A lot of people who are homeless or at risk need support services to ensure that when they do get housing they can retain their tenancy.

The third area is improving economic security and increase income through workforce development issues. There is an advisory group that is working on an action plan for that.

Those are the three main strategies. It is broken up between global goals and then items for the chronically homeless. The Duffy Health Center has received a significant grant from the Federal Government to assist this population and because of their needs to create an infrastructure to spend the funding and to implement things they will be creating a Community Consortium that will take on a lot of the action items. It is bringing in people from organizations that deal with clients that are at risk of homelessness.

With Veterans there are a lot of resources out there it's a matter of coordinating the services. With the families there is increased emphasis on coordinating with the schools. There are McKinney-Vento Coordinators at each of the School Districts but there hasn't been a lot of communication between the regional network and the people on the ground. In regards to youth which is a growing population of 18-24 year olds. There isn't a lot of housing geared towards there people. Primarily the housing that's available for single adults you would need to have a disability. There is subsidized housing that fits that population. With seniors it is a matter of making them aware of what is available and trying to find the most appropriate housing as they age.

Paula will be launching website soon to try and centralize all this information. A PDF version of the plan is located on the Barnstable County website under Human Services and the Cape Cod Commission website under Affordable Housing resources.

Meeting enclosures-

1. Minutes of March 15, 2012
2. Regulatory Changes letter
3. 2010-2014 Consolidated Plan Amendments
4. FFY 2012 Annual Plan
5. Regional Plan to Address Homelessness on Cape Cod and the Islands

Meeting Adjourned 9:46am